

EXECUTIVE DIRECTOR'S MONTHLY REPORT

AUGUST 2004

Each month I establish, with input from the Directors, the priority issues on which management and the staff focus. This report summarizes the work that was accomplished during the month as well as other items I feel will give the Council a better understanding of what the staff and I are doing to accomplish our performance objectives.

I. Improve the efficiency and accountability of management within the organization

- FY 03-04 budget status

All invoices from consultants, vendors and sub-regions were due July 31st. All final labor and fringe benefit costs have been processed. The first review of year-end expenses is showing that SCAG stayed within budget for all work elements.

Additionally, with the expenses we have processed, SCAG will conclude the fiscal year within budget for the OWP, Indirect Cost and General Fund budgets. A more comprehensive report will be developed once all final costs are in at the end of July.

- Cash Flow Status

As predicted in last month's report, SCAG ended FY 03-04 on a debt-free note, with no monies owed on the Letter of Credit (L.O.C). By comparison, SCAG owed \$2.8 million on the L.O.C. on June 30, 2003. During the first week of July, SCAG did draw down about \$627,000 on the Line of Credit, but paid that draw down off on July 15th, six weeks before it was due. So once again, at the time of this writing, SCAG is debt-free.

II. Provide support to the Regional Council in providing direction and Leadership to SCAG

- On July 14th I and Karen Tachiki met with representatives of plaintiffs to the RHNA lawsuit to discuss how to best proceed in light of the trial court judgement. Staff will be coordinating a series of meetings with parties to the litigation with the goal of resolving the litigation without the necessity of any party appealing the judgement. A full report will be given in closed session at the Regional Council Meeting.
- On July 16th I attended OCTA's Board meeting to discuss regional air quality conformity issues. Per OCTA's request, SCAG provided information to OCTA to assist them in their discussion of the CenterLine project, including 1) a brief description of Transportation Control Measures (TCMs); 2) a draft estimate of emissions benefits from TCMs in Orange County in the year 2010; and a list of delayed TCMs in the SCAG region.
- On July 19th, I met with the Los Angeles County Metropolitan Transportation Authority Executive Director Roger Snoble on governance and project delivery issues related to RIGHT, the innovative financing proposal to which SCAG staff has provided technical assistance to the CFEE group. Staff has also made suggestions in response to concerns raised by the CTC's regarding governance issues which would limit



the creation of RIGHT agencies to CTC's and entities such as SANDAG and MTC. SCAG would not be authorized to participate in or create a RIGHT agency. The meeting was productive and gave MTA an opportunity to offer its comments on the bill draft. Subsequently, I held a conference call on July 27th with members of CALCOG, including OCTA and MTA, to discuss revenue-backed and project delivery legislation. A state legislative conference committee is expected to take action on RIGHT and design-build legislation following the enactment of the budget bill and the brief legislative recess which ends August 2nd.

- On July 27th I gave a presentation to Brown, Winfield & Canzoneri on the newly adopted Destination 2030, as well as housing and housing needs assessment.

III. SCAG Operations

- Contracts. Five Subregions have signed their Continuing Cooperative Agreements (CCAs) for FY 04-05 and Notices to Proceed have been issued. Two of the Subregions will not require a CCA this year, as they have no projects in the OWP.

The Annual Disadvantage Business Enterprise (DBE) Goal and Methodology Report for fiscal year 2004/2005 is on the Regional Council's August agenda. Upon Council's approval, public notices will be placed in several publications for the 45 days comment period. Final approval from Caltrans of our DBE Goal and Methodology is expected to be received shortly thereafter.

We received Caltrans approval of all multi-year contracts on July 1, 2004. There are total of twenty-two CPG as well as non-CPG funded multi-year contracts. All CPG funded contracts amendments are being modified to include the additional terms and conditions of the new proposed Master Fund Transfer Agreement. Four consultants have been issued a Notice to Proceed. Four contracts are on hold due to funding/match related issues. The balance of the contract amendments are in various stages of the approval process.

- OWP. We received approval of the FY 2004-05 Overall Work Program from Caltrans on June 29th. Work is underway and reimbursements will be made retroactive to the July first start of the fiscal year after the state budget is passed.
- Recruitment and Selection. The Director of ISD recruitment is underway and expected to be completed in three months.
- Staff Retreat. An off-site retreat was held in Pasadena on July 20, 2004 for the entire staff. It was very successful and accomplished several goals:
 - Fulfilled Best Practices
 - Celebration of Accomplishments
 - Learned more about the region by touring a finished planning project
 - Planned for the coming year

- Created a cohesive team environment
- Sid Tyler and Bev Perry both highlighted the retreat by speaking with staff at the event.

IV. Implement Adopted Regional Plans

- Maglev Deployment. I met with LA City Councilmember Greig Smith to discuss the City's involvement in the Maglev Deployment program. Further, SCAG management has attended two meetings with LA City Councilmember Tom LaBonge's office to discuss and find agreement on several outstanding issues with the City. A presentation on the recommendations of LADOT on these issues was scheduled for the July 15 Los Angeles City Council Transportation Committee meeting, but has been postponed until August 11, 2004.

The final revised scopes of work for all pending FRA grants have been submitted to FRA. Pending signed and executed grant agreements, SCAG will restart work on the IOS and the alternatives' analysis.

Staff is planning a Maglev Workshop for the Tribal Nations. This workshop will take place in late August and will cover the history, technology, current issues and future progress of the Southern California Maglev Deployment Program. All members are invited to attend.

- COMPASS. Discussions are underway with several organizations to assist with Compass Implementation. The Urban Land Institute (ULI), California Chapter of the American Planning Association (CCAPA) Newhall Land developers, and Fannie Mae have all expressed an interest in building partnerships to promote the Vision to a wider audience, garner broad-based support and explore the potential for implementing pilot projects that advance the Compass principles. On July 9th I attended ULI's Executive Committee meeting and gave a presentation on the 2% Strategy.
- Regional Transportation Plan (RTP). Staff is continuing to monitor the state budget situation and its implications on the implementation of the 2004 RTP. Staff is also continuing to monitor the activities of the county transportation commissions and seeking to provide appropriate support in enhancing the chances of passing the additional tax measures identified in the 2004 RTP, including extension of local measure taxes and development mitigation fee. Depending on the outcome of these efforts, staff will be assessing the need for a potential mid-cycle amendment of the 2004 RTP and bringing the issue for your consideration in the near future.

Staff is continuing to actively participate in the development of Statewide Performance measures spearheaded by the planning division of Caltrans. Staff has provided extensive input in the development of the Statewide Performance measures. The State presented an interim report summarizing the key performance measures that the state is considering for future monitoring and measuring at a meeting of the stakeholders on July 29, 2004. The final report was submitted to Secretary McPeak on July 30, 2004.

- Regional Transportation Improvement Program (RTIP). The Draft 2004 RTIP was released for public review and comments by the TCC action on June 3, 2004. Since then, several public hearings have been conducted throughout the region as part of the public review process. In addition, staff has met with

each of the county transportation commission staff individually to resolve remaining outstanding issues. Staff has also completed an independent assessment of a number of critical projects in the region that could be challenging in terms of ensuring timely implementation. Staff will continue to work with the appropriate agencies in ensuring timely implementation. Staff will present a final report to the Regional Council at the August meeting recommending appropriate action on the proposed 2004 RTIP. The funding status of the current 2002 RTIP will expire on October 4, 2004. The 2004 RTIP must be in place as the federally approved and conforming new RTIP by that date or else the region will be out of conformity and there will be serious funding implications for the region. Staff has been coordinating with the Federal agencies to ensure that the 2004 RTIP complies with the federal requirements.

V. Develop Additional Planning Efforts

- Growth Forecast. Staff is developing the 2003 base year socioeconomic estimates for 2007 RTP. Current efforts include updating the geographic boundaries to reflect recent annexations and developing consistent region-wide land use survey classifications.
- Regional Economic Analysis. The first formal Planning Group meeting for the November Economic Forecast Conference was held on June 23rd. The Group consists of regional economists from all over southern California--including many whom have made presentations at past conferences. The Group is presided over jointly by Hon. Keith McCarthy and SCAG's Chief Economist.

Staff recently completed two economic analysis reports: the first highlights logistics industry statistics in the SCAG region including industry average wages and share of total regional employment over time, the second analyzes Venture Capital Investment in the SCAG region from 1995-2003. Both are available on the SCAG website. The Venture Capital report will be presented to the CEHD Committee in August, and the logistics report will be presented in September.

- Tribal Nations Outreach. The next Tribal Summit is scheduled for September 9th from 11:00am-1:30pm at the Morongos Coco's Restaurant in Cabazon.

VI. Data

Planning Data/GIS

- GIS Training. As part of the SCAG member benefits, staff recently completed a GIS training course for staff representatives from member jurisdictions. This two-day course provided the foundation for becoming a successful ArcView GIS user. A total of 17 staff representatives from 16 member jurisdictions attended the training. Based on the requests from member jurisdiction representatives, SCAG staff will schedule additional training opportunities to accommodate the demand from member jurisdictions.
- Integration of Travel Demand Model with GIS Applications. Staff completed Phase 1 of the integration of travel demand models and a street center line file. With the integration, the RTP and RTIP projects, as input to the travel demand model, could be entered and displayed on the map. It will allow more accurate representation of model results for mapping and spatial analysis. The integration will also allow for more efficient transfer of data associated with streets to the travel demand model networks.

Performance Assessment and Monitoring

- Region-based Statewide Indicators Report Initiative. In the past couple months staff and CCRL developed a work plan including resources needed to move the initiative forward. At the CALCOG Directors meeting on July 12, 2004, the funding needs for this initiative was discussed. As a result of the discussion, CALCOG members were asked to contribute to the funding needed for this initiative.

VII. Legislative Program

- Federal TEA-21 Reauthorization. On July 23th, Congress broke for their August recess; they will reconvene September 7th. Before going into recess, Congress passed an extension to TEA-21. While ultimately clean, this extension was not as simple to arrive at as previous ones. The highway program was extended until September 24th, while transit and safety programs were extended through September 30th. The reason for the difference is to allow Congress time before the end of the fiscal year to address high priority project funding and how lower funding amounts will affect Minimum Guarantees. Based on FY 04 revenue data, about \$400 million may be included in the next extension to raise donor states, including California, up to the 90.5 percent minimum guarantee for the year. This could mean an additional \$33.7 million for the State.

During the last meeting of conferees on July 29th, Rep. Don Young countered Sen. Inhofe's July 20th proposal. If adopted, this proposal would provide \$284 billion in guaranteed funding and \$299 billion in contract authority. It has also been reported that the White House is able to live with this level of funding. One aspect of this proposal to be aware of is that it would include a \$15 billion rescission of existing, unused contract authority. The conference did not vote on this proposal, but leaders agreed to have their staff work over the August recess to provide more detail on whether an acceptable bill could be crafted with this funding level, namely, whether donor state concerns can be addressed and how core programs would look.

- FY 2005 Federal Appropriations. The House Subcommittee on Transportation, Treasury and Related Agencies Appropriations has “marked up” or revised its FY05 Appropriations bill. In total, the bill provides more than \$89.9 billion in transportation funding. The subcommittee elected to only earmark those New Starts rail projects that have Full Funding Grant Agreements (FFGA) or that are expected to sign an FFGA within the next six months.

Of the projects listed on the Regional Consensus Appropriations Request list, the only project that received an earmark was the Los Angeles County Metropolitan Transportation Authority Eastside Light Rail Transit Project for \$60 million. This is because **no highway projects were earmarked**. It was understood that highway earmarks were to be dealt with at a later time.

As a reminder, SCAG's High Priority Projects for FY 2005 Appropriations are the Transportation Control Measures (TCMs) in the Regional Transportation Plan and the State Implementation Plan (SIP). These projects include the aforementioned Eastside Light Rail Transit Project, I-405 HOV Lanes, the Alameda Corridor East, the Orange County Centerline Rail Transit Project and State Route 91 HOV Lanes.

- FY04-05 State Budget. One month after the constitutional deadline, Governor Schwarzenegger and legislative leaders reached an accord on July 26th to end the state's budget battle and send a roughly \$103 billion spending plan to the Legislature. In the final budget package, some planned cuts to universities and social services were scrapped, no new taxes were created, some proposed fees were eliminated, and transportation funding was stabilized for the time being with the infusion of tribal gaming revenues.

Under new terms of the deal, cities, counties and special districts will accept \$2.6 billion in cuts over two years, and lawmakers will place a constitutional amendment on the November 2nd ballot to safeguard local treasuries in the future. Additionally, the state could borrow money from local governments only twice in a 10-year period and would have to repay the loan with interest.

- Tribal Gaming Compact. In recent weeks, Governor Schwarzenegger signed a compact agreement with five tribal governments that will bring in at least \$1 billion in new state revenue this year, which the Governor has proposed be dedicated to transportation projects. The agreement might generate another \$150-\$200 million a year in ongoing state revenue. In order to protect these agreements, which provide a contribution of gaming revenue to the State in exchange for exclusivity for tribal gaming, Governor Schwarzenegger announced he will oppose ballot initiatives Proposition 68 and 70, two measures that expend slot machine gaming without expressly allocating funds for transportation. The Governor's compact with tribal governments was ratified by the Legislature with the passage of AB 687 (Nunez), chaptered on July 1st.